



**STATE OF TENNESSEE  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
STATE CAPITOL  
NASHVILLE, TENNESSEE 37243-0285**

**C. WARREN NEEL, Ph.D.**  
COMMISSIONER

**FOR IMMEDIATE RELEASE  
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### **November Revenues**

**Nashville** – On an accrual basis November is the fourth month in the 2001-2002 fiscal year. Department of Revenue tax collections were \$556.7 million, an increase of \$36 million or 6.91% over last year. At least \$19.3 million of the increase is franchise and excise tax revenue attributable to October.

Revenues were \$24.8 million more than the budgeted estimates, Finance and Administration Commissioner C. Warren Neel announced today. The general fund had an overcollection of \$19.1 million and the four other funds overcollected by \$5.7 million for the month.

Sales tax collections decreased by 0.68% in November, which is \$12.3 million less than the estimate. The decrease came despite the exceptional increase in light vehicle sales nationally during the month of October. In Tennessee, the surge in automotive sales led to a 31.7% increase in sales tax collections on new and used vehicles. Sales tax collections net of motor vehicles and parts for the month of November declined by 3.2% or \$10.7 million.

Franchise and excise taxes combined were \$45.5 million for the month. Collections were \$30.5 million more than the estimate. At least \$19.3 million of the increase is attributable to revenue that belonged in October collections but was not moved from the credit class to collections until November due to difficulties arising from shifting the due date of annual extensions from October 1 to October 15. The movement of the funds from the credit class into current revenues occurs because firms apply an overpayment to future quarterly payments. Because of the credit class situation, it is more appropriate to evaluate franchise and excise tax collections for October and November combined. Collections for the two months in 2001 totaled \$38.0 million compared to \$79.0 million in 2000, representing a 51.8% decline in collections. For a two month comparison, see Table 4.

Gasoline taxes and motor vehicle registrations were \$6.7 million more than the budgeted estimate of \$85.6 million.

Year-to-date collections for four months are \$123.8 million less than the budgeted estimates for all funds and \$119.7 million less than the general fund estimate.

Commissioner Neel stated, "The budgeted revenue estimates are based upon the State Funding Board's consensus recommendation adopted by the first session of the 102<sup>nd</sup> General Assembly in June of this year."

**REVENUE COLLECTIONS**  
**NOVEMBER, 2001, AND 4 MONTHS YEAR-TO-DATE**

**November Collections:**

	<b>Budgeted Accrual Estimate</b>	<b>Actual</b>	<b>Difference</b>
General Fund	\$414,827,000	\$433,882,000	\$19,055,000
Highway Fund	45,371,000	49,991,000	4,620,000
Sinking Fund	19,539,000	19,442,000	(97,000)
City & County Fund	49,716,000	50,733,000	1,017,000
Earmarked Fund	2,406,000	2,610,000	204,000
<b>Total</b>	<b>\$531,859,000</b>	<b>\$556,658,000</b>	<b>\$24,799,000</b>

**Year-To-Date Collections:**

	<b>Budgeted Accrual Estimate</b>	<b>Actual</b>	<b>Difference</b>
General Fund	\$1,931,532,000	\$1,811,820,000	(\$119,712,000)
Highway Fund	188,333,000	188,898,000	565,000
Sinking Fund	78,686,000	78,080,000	(606,000)
City & County Fund	206,413,000	201,598,000	(4,815,000)
Earmarked Fund	10,653,000	11,451,000	798,000
<b>Total</b>	<b>\$2,415,617,000</b>	<b>\$2,291,847,000</b>	<b>(\$123,770,000)</b>

Table 1  
Tennessee Department of Revenue  
Comparative Statement of Collected Revenues

Class of Tax	November			
	2000	2001	Change	Percent
Franchise & Excise	\$14,449,000	\$45,486,000	\$31,037,000	214.80%
Income	221,000	-1,323,000	-1,544,000	-698.64%
Inheritance & Estate	4,119,000	5,661,000	1,542,000	37.44%
Gasoline	48,894,000	50,098,000	1,204,000	2.46%
Petroleum Special	5,209,000	4,729,000	-480,000	-9.21%
Tobacco	7,123,000	6,588,000	-535,000	-7.51%
Beer	1,278,000	1,303,000	25,000	1.96%
Motor Vehicle Registration	10,949,000	15,322,000	4,373,000	39.94%
Motor Vehicle Title	772,000	788,000	16,000	2.07%
Mixed Drink	2,836,000	3,013,000	177,000	6.24%
Business	203,000	180,000	-23,000	-11.33%
Privilege	13,951,000	14,584,000	633,000	4.54%
Gross Receipts	16,929,000	17,037,000	108,000	0.64%
Alcoholic Beverage	2,396,000	2,512,000	116,000	4.84%
Sales and Use	377,648,000	375,095,000	-2,553,000	-0.68%
Motor Vehicle Fuel	13,593,000	15,497,000	1,904,000	14.01%
Severance	106,000	89,000	-17,000	-16.04%
Coin-operated Amusement	1,000	0	-1,000	-
Total	\$520,676,000	\$556,658,000	\$35,982,000	6.91%

Table 2  
Tennessee Department of Revenue  
Comparative Statement of Collected Revenues

Class of Tax	August - November			
	2000	2001	Change	Percent
Franchise & Excise	\$249,945,000	\$198,570,000	-\$51,375,000	-20.55%
Income	5,976,000	5,869,000	-107,000	-1.79%
Inheritance & Estate	23,597,000	30,313,000	6,716,000	28.46%
Gasoline	196,318,000	192,985,000	-3,333,000	-1.70%
Petroleum Special	20,300,000	22,189,000	1,889,000	9.31%
Tobacco	28,280,000	27,946,000	-334,000	-1.18%
Beer	5,611,000	5,550,000	-61,000	-1.09%
Motor Vehicle Registration	57,690,000	62,257,000	4,567,000	7.92%
Motor Vehicle Title	3,589,000	3,478,000	-111,000	-3.09%
Mixed Drink	11,077,000	11,434,000	357,000	3.22%
Business	1,423,000	1,378,000	-45,000	-3.16%
Privilege	54,677,000	61,204,000	6,527,000	11.94%
Gross Receipts	79,935,000	81,852,000	1,917,000	2.40%
Alcoholic Beverage	9,418,000	9,344,000	-74,000	-0.79%
Sales and Use	1,553,588,000	1,528,024,000	-25,564,000	-1.65%
Motor Vehicle Fuel	50,678,000	49,039,000	-1,639,000	-3.23%
Severance	348,000	406,000	58,000	16.67%
Coin-operated Amusement	23,000	9,000	-14,000	-60.87%
Total	\$2,352,473,000	\$2,291,847,000	-\$60,626,000	-2.58%

Table 3  
August - November Revenue Overcollections/(Undercollections)  
Budgeted Estimate

	General Fund	Other Funds	Total
Sales Tax	\$ (68,800,000)	\$ (3,700,000)	\$ (72,500,000)
Inheritance Tax	5,600,000	0	5,600,000
TVA Payment	700,000	500,000	1,200,000
Gasoline & Motor Vehicle Registration	700,000	(1,600,000)	(900,000)
Other Taxes	2,000,000	700,000	2,700,000
<b>Sub-Total</b>	\$ (59,800,000)	\$ (4,100,000)	\$ (63,900,000)
F & E Taxes	(59,900,000)	0	(59,900,000)
<b>Total</b>	<u>\$ (119,700,000)</u>	<u>\$ (4,100,000)</u>	<u>\$ (123,800,000)</u>

Table 4  
Tennessee Department of Revenue  
Comparative Statement of Collected Revenue  
October and November

	<u>2000</u>	<u>2001</u>	<u>Change</u>	<u>Percent</u>
F & E Taxes	\$78,954,000	\$38,033,000	(\$40,921,000)	-51.83%
Sales Tax	777,828,000	761,713,000	(\$16,115,000)	-2.07%
Other Taxes	<u>263,152,000</u>	<u>279,995,000</u>	<u>\$16,843,000</u>	<u>6.40%</u>
Total	<u>\$1,119,934,000</u>	<u>\$1,079,741,000</u>	<u>(\$40,193,000)</u>	<u>-3.59%</u>

Revenue Collections  
October and November, 2001

	<u>Budgeted Accrual Estimate</u>	<u>Actual</u>	<u>Difference</u>
General Fund	\$911,952,000	\$838,111,000	(\$73,841,000)
Highway Fund	91,646,000	95,111,000	3,465,000
Sinking Fund	39,310,000	39,003,000	(307,000)
City & County Fund	101,534,000	101,089,000	(445,000)
Earmarked Fund	<u>5,763,000</u>	<u>6,427,000</u>	<u>664,000</u>
Total	<u>\$1,150,205,000</u>	<u>\$1,079,741,000</u>	<u>(\$70,464,000)</u>

## November Revenue Report

*(in millions)*

November is the 4th month of fiscal year 2001-02 on an accrual basis.

### **TOTAL TAX COLLECTIONS November 2001, \$556.7**

Performance versus the estimate for the month

<u>Estimate</u>	<u>Difference</u>	<u>Percentage</u>
\$531.9	\$24.8	4.7%

### **TOTAL TAX COLLECTIONS Y-T-D November 2001, \$2,291.8**

Performance versus the estimate Y-T-D

<u>Estimate</u>	<u>Difference</u>	<u>Percentage</u>
\$2,415.6	-\$123.8	-5.1%